

MINUTES OF

THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY

Meeting #438 – September 7, 2007

PRESENT: Frank R. Benell -- Chairperson

Frances H. Gammell-Roach -- Vice Chairperson

Michael S. Imbruglia -- Member

William B. Sweeney -- Member

ABSENT: None

ALSO PRESENT: Michael Saul – Managing Director of Finance

Earl F. Queenan, Jr. -- Manager

Alicia A. Pomfret -- Assistant Manager

Anthony J. Scolavino -- Sr. Financial Program Administrator

Claudine Tikoian -- Loan Portfolio Manager

Katharine Flynn -- RI Economic Development Corporation

Dianne Ritter -- RI Economic Development Corporation

Thomas V. Moses, Esquire -- Legal Counsel

The meeting was held at 315 Iron Horse Way, Providence, and was called to order by Chairman Benell at 8:44 a.m.

Mr. Benell presented the Minutes of the Meeting of August 10, 2007. Following review and discussion, a motion was made by Dr. Sweeney, was seconded by Mr. Imbruglia, and was unanimously adopted to accept the Public and Executive Session Minutes as presented. A roll call vote was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mr. Benell entertained a motion for the Confidentiality of the Executive Minutes.

Mrs. Gammell-Roach motioned, Mr. Imbruglia seconded, and it was unanimously approved to Maintain the Confidentiality of the Executive Session Minutes. A roll call vote was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mr. Queenan presented the Watch List as of August 31, 2007. Mr. Queenan performed a review of the Watch List. He noted that in addition to the prepayment of the Authority insured CHESTNUT HILL AVIATION debt, that the Small Business Loan Fund Corporation loan was paid off fully as well. This will be removed from the Watch List. STEM CELLS principal balance is \$1,200,000. Dr. Sweeney questioned if STEM CELLS has a tenant in the building. Mr. Queenan confirmed that they do not. Following this, a motion to accept the Watch List as presented was made by Mr. Imbruglia, was seconded by Mrs. Gammell-Roach, and was unanimously approved. A vote by roll call was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mr. Queenan presented the Portfolio Report as of August 31, 2007. Mr. Queenan noted that NEUROTECH PHARMACEUTICALS, INC. has been added to the Portfolio Report in the amount of \$2,900,000 and will be discussed as an agenda item in the Executive Portion of the Meeting. Dr. Sweeney requested an update on QUONPRO.

Mr. Queenan responded and noted that the Company had recently had an appraisal performed and the value of the facility came in at \$4,500,000. They have a request for Financial Waivers that will be heard during the Executive portion of the meeting. The Authority's

exposure on the building is \$2,800,000. Following further review and discussion, a motion was made by Dr. Sweeney, was seconded by Mr. Imbruglia, and was unanimously approved to accept the report as submitted. A roll call vote was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mr. Queenan presented the Authority's internally prepared Financial Statements for the 2 months ended August 31, 2007. He discussed the receivables on the aging report.

Dr. Sweeney questioned the status of ULTRA FINE POWDER TECHNOLOGY as it is over 90 days delinquent. Mr. Queenan performed a history of the account and noted that Mr. Moses sits on the Board of Directors on the Authority's behalf. Mr. Moses collects premiums from the Venture Capital Investors every so often. Following this, a motion was made by Dr. Sweeney, was seconded by Mrs. Gammell-Roach, and was approved unanimously to accept the interim financial statements. A vote by roll call was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mrs. Debra Mitchell of Braver, PC, Authority Auditors, attended the meeting.

Mr. Queenan presented the Authority's Draft Audited Financial Statements for the Fiscal Year Ended June 30, 2007. Mrs. Mitchell performed a review of the financial statements and responded to questioned posed by the Board. Following this, a motion was made by Dr. Sweeney to accept the Audited Financial Statements for the Fiscal Year Ended

June 30, 2007 as presented, was seconded by Mrs. Gammell-Roach, and was unanimously approved. A roll call vote was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mrs. Mitchell exited the meeting.

Mr. Queenan presented the Proposed Budget for the Fiscal Year 2009 and the Revised Budget for the Fiscal Year 2008. Following review, Messrs. Queenan and Saul responded to Board queries. After this, a motion to accept the Budgets as submitted was made by Dr. Sweeney, was seconded by Mrs. Gammell-Roach, and was unanimously approved. A roll call vote was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mr. Queenan discussed the status of the Authority owned facility at 222 Goldstein Drive, Woonsocket. He requested that the Board extend the deadline to the October Board Meeting. After this, a motion was made by Mrs. Gammell-Roach, was seconded by Mr. Imbruglia, and was unanimously adopted. A vote by roll call was held:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

There were no administrative matters to discuss.

At 9:14 a.m., Mr. Benell declared that he would entertain a motion to adjourn to Executive Session and that an affirmative vote of a majority of the members is required. In accordance with §42-46-4 of the Rhode Island General Laws, a portion of the meeting will be held in Executive Session to consider and take appropriate action on such matters as permitted by subsection (5) (acquisition or lease of real

property for public purposes or disposition of publicly held property), subsection (6) (location of prospective businesses in Rhode Island), or subsection (7) (investment of public funds) of Rhode Island General Laws, Section 42-46-5(a), the Open Meetings Law. Mrs. Gammell-Roach motioned to enter into Executive Session, Mr. Imbruglia seconded, and a vote was taken.

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

At 10:14 a.m. Mr. Benell requested a motion to return to Open Session, and noted that an affirmative vote of a majority of the members is required in accordance with §42-46-4 of the Rhode Island General Laws. Mrs. Gammell-Roach motioned to return to Public Session, Mr. Imbruglia seconded, and a vote was taken.

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

In accordance with §42-46-4 of the Open Meetings Law of the General Laws of the State of Rhode Island, the Board revisited the votes taken during Executive Session. A motion was made by Mrs.

Gammell-Roach, was seconded by Mr. Imbruglia, and was unanimously adopted to ratify the following votes made during the Executive Session:

1. To adopt a policy to allow the Authority Manager plus 1 other staff member to approve violation waiver requests provided that they are not payment violations.

2. On behalf of NEUROTECH PHARMACEUTICALS, INC., to amend the Resolution of Approval for Mortgage Insurance of \$4,000,000, for the Cumberland location and to cap the Commitment Fee at \$100,000.

A roll call vote was taken:

Mrs. Gammell-Roach – aye

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

There being no other business to discuss, Mr. Benell requested a motion to adjourn.

Mrs. Gammell-Roach made a motion to adjourn, Mr. Imbruglia seconded, and it was unanimously approved to end the meeting.

The meeting adjourned at 10:15 a.m.

Respectfully submitted,

Alicia A. Pomfret
Assistant Manager